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**IN THE UNITED STATES DISTRICT COURT
FOR THE EASTERN DISTRICT OF NEW YORK**

PHOENIX BEVERAGES, INC., RODB LLC,
WINDMILL DISTRIBUTING COMPANY, L.P., UP
FROM THE ASHES, INC., and other affiliated companies
of PHOENIX BEVERAGES, INC.,

Plaintiffs,

-against-

EXXON MOBIL CORPORATION, EXXONMOBIL
RESEARCH AND ENGINEERING COMPANY and
QUANTA RESOURCES CORPORATION,

Defendants.

Case No. 1:12-CV-03771 (PKC) (JO)

QUANTA RESOURCES CORPORATION,

Third-Party Plaintiff,

-against-

ACE WASTE OIL, INC.; et al.,

Third-Party Defendants.

**REPLY TO COUNTERCLAIM
OF THIRD-PARTY DEFENDANT
NL INDUSTRIES, INC. AND
AFFIRMATIVE DEFENSES OF
THIRD-PARTY PLAINTIFF
QUANTA RESOURCES
CORPORATION**

Third-Party Plaintiff Quanta Resources Corporation (“Quanta”), by and through its undersigned attorneys, hereby replies to the Counterclaim of Third-Party Defendant NL Industries, Inc. (“NL”) as follows:

1. Paragraph 1 calls for a legal conclusion to which no response is required. If a response is required, Quanta denies the allegations set forth in Paragraph 1.

2. Paragraph 2 calls for a legal conclusion to which no response is required. If a response is required, Quanta denies the allegations set forth in Paragraph 2.

FIRST AFFIRMATIVE DEFENSE

NL's Counterclaim fails to state a claim upon which relief may be granted.

SECOND AFFIRMATIVE DEFENSE

NL's Counterclaim against Quanta is barred by, or recovery from Quanta must be reduced or eliminated in accordance with, the doctrines of unclean hands, laches, waiver and/or estoppel.

THIRD AFFIRMATIVE DEFENSE

NL is not entitled to recover any costs from Quanta because in the event that Plaintiffs recover from Quanta, Quanta will pay more than its fair share of the responsibility for the claims that Plaintiffs made or could have made against Quanta in this action.

FOURTH AFFIRMATIVE DEFENSE

NL lacks standing to bring a claim under 42 U.S.C. § 9613(f).

FIFTH AFFIRMATIVE DEFENSE

NL fails to state a claim under 42 U.S.C. § 9613(f) because it fails to allege, and explicitly denies, that it is a potentially responsible party.

SIXTH AFFIRMATIVE DEFENSE

NL's Counterclaim is barred by the doctrine of unjust enrichment.

SEVENTH AFFIRMATIVE DEFENSE

Quanta did not own or operate the Quanta Site at the time any hazardous substance was disposed of there.

EIGHTH AFFIRMATIVE DEFENSE

Quanta incorporates any and all affirmative defenses allowed by statute, rule, or regulation.

NINTH AFFIRMATIVE DEFENSE

Quanta reserves the right to rely upon such other defenses, including those that have been asserted by the other parties herein, as may become available or apparent during discovery proceedings in this case and hereby reserves its right to amend its Reply to plead such defenses.

WHEREFORE, Quanta demands judgment as requested in the Third-Party Complaint and dismissing NL's Counterclaim, together with attorneys' fees, costs and disbursements of this action and any further relief as the Court deems just and proper.

Dated: New York, New York
November 7, 2013

ARENT FOX LLP

By: /s/ Allen G. Reiter
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